Manitoba Lotteries and Gaming Control Commission

1981–1982

Annual Report

MANITOBA

MINISTER OF FITNESS, RECREATION AND SPORT

WINNIPEG, MANITOBA
R3C 0V8

Her Honour
The Honourable Pearl McGonigal
Lieutenant-Governor of Manitoba
Room 235
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Your Honour:

I have the honour to submit the Annual Report of the Manitoba Lotteries and Gaming Control Commission for the fiscal period ending March 31, 1982.

Respectfully submitted,

HONOURABLE L. L. DESJARDINS
Minister Responsible for Lotteries

MANITOBA LOTTERIES & GAMING

301 - 207 DONALD STREET, WINNIPEG, MANITOBA R3C 1M5

LICENSING BOARD
TELEPHONE (204) 944-2670

CONTROL COMMISSION
TELEPHONE (204) 944-3524

The Honourable L. L. Desjardins
Minister Responsible for Lotteries
7th Floor
175 Hargrave Street
Winnipeg, Manitoba
R3C 3R8

Sir:

I have the honour to transmit herewith the Annual Report of the Manitoba Lotteries and Gaming Control Commission for the fiscal year ended March 31, 1982.

Respectfully submitted,

GARTH K. MANNESS
Chairman
Board of Directors

Price Waterhouse
CHARTERED ACCOUNTANTS

2200 One Lombard Place
Winnipeg, Manitoba R3B 0X7
(204) 943-7321 Telex: 07-587728

September 29, 1982

To the Chairman,
Board of Directors,
The Manitoba Lotteries and Gaming Control Commission:

We have examined the balance sheet of The Manitoba Lotteries and Gaming Control Commission as at March 31, 1982 and the statements of general reserve and revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse

Chartered Accountants

Balance Sheet

as at March 31, 1982 *(with 1981 figures for comparison)*

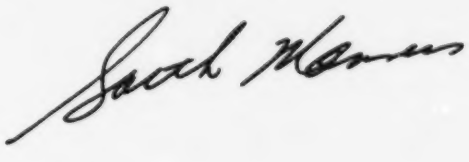
Assets

	1982	1981
Current assets:		
Cash on deposit	$ 366,335	$ 898,039
Accrued interest receivable	8,296	18,063
Western Canada Lottery Foundation	919,094	911,921
Total Community Involvement Inc.	—	150,000
Manitoba Lotteries and Gaming Licensing Board (Note 2)	36,882	556
Miscellaneous receivables	14,955	4,135
	1,345,562	1,982,714
Manitoba Lotteries and Gaming Licensing Board (Note 2)	24,707	2,225
Fixed assets:		
Furnishings and equipment	27,284	9,780
Leasehold improvements	17,500	—
	44,784	9,780
Less: Accumulated depreciation and amortization	12,518	7,000
	32,266	2,780
	$1,402,535	$1,987,719

Liabilities

Current liabilities:		
Western Lottery — Manitoba Distributor Inc.	$ 719,260	$ 530,474
Accounts payable and accrued	26,640	25,165
	745,900	555,639
General Reserve	656,635	1,432,080
	$1,402,535	$1,987,719

APPROVED BY THE CHAIRMAN OF THE BOARD:



Statement of General Reserve

for the year ended March 31, 1982 *(with 1981 figures for comparison)*

	1982	1981
Balance, beginning of year	$1,432,080	$1,868,009
Add:		
Excess of revenue over expenditures for the year	4,279,555	3,889,071
	5,711,635	5,757,080
Deduct:		
Funds transferred to Government of Manitoba		
Department of Cultural Affairs and Historical Resources	1,765,000	1,441,670
Department of Fitness, Recreation and Sport	3,290,000	2,883,330
	5,055,000	4,325,000
Balance, end of year	$ 656,635	$1,432,080

Statement of Revenue and Expenditures

for the year ended March 31, 1982 *(with 1981 figures for comparison)*

	1982	1981
Revenue:		
Ticket revenue	$9,405,971	$7,982,616
Payment to Western Lottery — Manitoba Distributor Inc. (Note 3)	3,358,728	2,886,725
	6,047,243	5,095,891
Federal contribution (Note 4)	1,713,448	1,228,574
	4,333,795	3,867,317
Interest	163,637	202,475
	4,497,432	4,069,792
Expenditures:		
Advertising and promotion	37,440	11,317
Annual report	8,502	3,319
Board members' fees and expenses	17,664	25,490
Cartage	718	612
Depreciation and amortization	5,518	—
Equipment rentals and maintenance	1,220	288
Office and storage space rental	20,593	5,364
Office supplies	9,926	2,192
Postage, telephone and telex	4,052	3,238
Professional fees	18,867	12,998
Salaries	83,390	100,987
Travel	9,987	14,916
	217,877	180,721
Excess of revenue over expenditures	$4,279,555	$3,889,071

Notes to Financial Statements

March 31, 1982

1. Significant accounting policies:

   (a) Operations—

   The Commission is the agent of the Government of Manitoba in Western Canada Lottery Foundation, the organization responsible for providing lottery tickets, determining the winning tickets and paying out the prizes.

   The Commission supervises the sale of lottery tickets in Manitoba through Western Lottery — Manitoba Distributor Inc. and authorized retailers.

   (b) Ticket revenue—

   Ticket revenue is received from Western Canada Lottery Foundation and represents the revenue the Foundation receives from the sale of tickets to Western Lottery — Manitoba Distributor Inc. less Manitoba's share of the Foundation's costs associated with these ticket sales.

   Revenue is recognized on ticket sales for which draws were completed in the fiscal year.

   (c) Fixed assets—

   Fixed assets are recorded at cost. Furnishings and equipment are depreciated on a straight-line basis over 5 years. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

2. The Manitoba Lotteries and Gaming Licensing Board:

   Since April 1, 1981, the Commission and the Licensing Board have shared premises, management and administrative staff. Certain operating costs are allocated between the two organizations. The portion of fiscal 1982 joint operating costs which are recoverable from the Licensing Board are shown as a current asset on the balance sheet in the amount of $36,882.

   Fixed assets for the new premises were purchased by the Commission. The Licensing Board will reimburse the Commission for one-half the cost by annual interest-free payments equal to its share of the depreciation and amortization charges. The amount of $24,707, recoverable from the Board in future years, is shown on the balance sheet as a long-term receivable.

3. Western Lottery — Manitoba Distributor Inc.:

   Under the Government of Manitoba's Order-In-Council No. 634 issued June 23, 1980, the revenue from ticket sales of the Commission and of Western Lottery — Manitoba Distributor Inc. are shared by agreement. Accordingly, the Commission is transferring $3,358,728 (1981 — $2,886,725) of the revenue it earned in the 1982 fiscal year to the Distributor.

4. Federal contribution:

   Effective January 1, 1980, the Government of Canada terminated its involvement in lotteries. In return, the ten Provinces are to contribute an annual sum of $24,000,000, adjusted for inflation, to the Federal Government. The Province of Manitoba's share for the 1982 fiscal year is $1,713,448 (1981 — $1,228,574).

Statement of Net Ticket Revenue

for the year ended March 31, 1982
prepared by the Manitoba Lotteries and Gaming Control Commission

	1982	1981
Ticket Sales at Retail:		
Western Express 53 draws (1981–52 draws)	$14,748,956	$15,237,766
Provincial 52 draws (1981–20 draws)	7,743,315	7,883,700
Super Loto 12 draws (1981– 9 draws)	9,449,380	6,546,380
Tic Tac Toe Instant Lottery*	2,983,100	—
	$34,924,751	$29,667,846
Distributor and Retailer Commissions (Note A)	6,512,481	5,606,250
	$28,412,270	$24,061,596
Cost of Tickets Sold (Note B)	$19,006,299	$16,078,980
	$ 9,405,971	$ 7,982,616
Revenue Shared by Agreement with Western Lottery-Manitoba Distributor Inc.	$ 3,358,728	$ 2,886,725
Net Ticket Revenue	$ 6,047,243	$ 5,095,891

NOTES:

A. The rates of commissions earned by the distributor and the retailers at the time of sale are as follows:

	Distributor	Retailer
Western Express	10%	10%
Provincial	10	10
Super Loto	7	8
Tic Tac Toe	10	10

B. The cost of tickets sold includes the cost of prizes, advertising, ticket printing, etc.